

Information Request AG-1-1

During the term of the contracts have the Companies had any disputes with the vendor? If yes, please provide for each dispute the date of the dispute, the amount of the disputed costs, how the dispute was resolved, how any dispute related charges, credits or settlement amounts were accounted for, and the date the dispute was resolved. Include all correspondence between parties to the dispute, any internal correspondence regarding the dispute and any correspondence with any other entities regarding the dispute (including outside counsel, regulatory agencies, and courts). Provide copies of all contracts, contract amendments and agreements related to settlement of each dispute.

Response

During the period of 1993 and 1994, the Companies engaged in a dispute with the vendor in connection with the Companies charging and withholding an Incremental Production Cost Penalty equal to \$63,040 against the vendor's March 1994 invoice. The dispute was resolved. Please refer to Attachments AG-1-1 (a) through (j) for correspondence concerning this matter.

In addition, the Companies have engaged in the following disputes with the vendor associated the implementation of Standard Market Design (SMD). All disputes as of the date of the Termination Agreement are stayed, without prejudice.

- The Delivery Point Issue: The Companies have engaged in a dispute with the vendor concerning the determination of specific delivery points to which the Companies entitlements would be delivered for purposes of financial settlement under Standard Market Design (SMD) as implemented by ISO-NE effective March 1, 2003. The Companies have made adjustments to the vendor's monthly invoices to achieve a financial settlement in the various daily markets for the delivery of energy from the vendor's bus bar to the designated delivery points required under SMD. Please refer to Attachments AG-1-1 (k) through (t) for correspondence concerning this dispute.
- The Unit Bidding Issue: The Companies have engaged in discussions with the vendor concerning the bidding of the vendor's unit into the ISO-NE Market System. Please refer to Attachments AG-1-1 (u) and (v) for correspondence concerning this matter.

NSTAR Electric
Department of Telecommunications and Energy

D.T.E. 04-60

Information Request: **AG-1-1**

July 22, 2004

Person Responsible: Geoffrey O. Lubbock

Page 2 of 2

The Companies are continuing to research historical records to determine if any other disputes have arisen over the term of the contract. If additional items are found, the Companies will supplement this response.

COM/Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

Attachment AG-1-1(a)

September 29, 1993

Mr. Philip C. Smith
J. Makowski Associates, Inc.
One Bowdoin Square
Boston, MA 02114-2910

Re: Altresco-Pittsfield

Dear Mr. Smith:

As you may recall, the current version of the NX-12s for the Altresco-Pittsfield Unit (Unit is defined herein as a concatenated group of 3 gas turbines) allow for a maximum of 50 starts per year per gas turbine (GT). It is my understanding that this limitation is due to language found in the Power Sale Agreement (PSA) between Altresco Pittsfield and Massachusetts Electric Company (MECo). However the PSA between Cambridge Electric Light Company and Altresco Pittsfield and the PSA between Commonwealth Electric Company (CECo) and Altresco Pittsfield (together referred to herein as the COM/Electric-Altresco Pittsfield PSAs) both allow for up to 300 stops and 300 restarts of the Unit per year (see Article 4.1 of the PSAs). Therefore, the current version of NX-12s are unacceptable to COM/Electric.

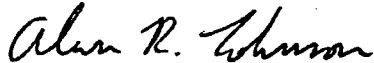
In addition, Article 4.1 of the COM/Electric-Altresco Pittsfield PSAs also indicate that the Unit shall be subject to economic dispatch at the direction of NEPOOL, provided such dispatch is in full accordance with the provisions of Article 4. Hence, COM/Electric hereby requests that the NX-12s be revised to reflect a maximum of 300 stops (where a stop is defined as the low limit of the Unit, not to exceed 43.6 MW) and 300 restarts of the unit.

It is understood that a Department of Environmental Protection (DEP) Conditional Approval Amendment (provided to us during our September 8th meeting at the offices of J. Makowski Associates, Inc.) limits the plant to a maximum of 240 start-ups during any consecutive 12 month period. It is the position of COM/Electric however that this restriction (set forth in the "Operational Standards" section of the document) is an operational limitation of the Unit. This limitation is clearly not a design limitation as discussed in the last sentence of Article 4.1 of the PSAs, which relates to change in unit output requested by COM/Electric or NEPOOL. As you are aware, an Incremental Production Cost Penalty will be incurred for each occasion where Altresco Pittsfield fails to dispatch the Unit as requested by COM/Electric or NEPOOL, in accordance with Article 4.2 of the PSAs.

Mr. Philip C. Smith
September 29, 1993
Page 2

We believe that the attached proposed NX-12s are the only way that NEPOOL may properly represent the Unit in the COM/Electric Own Load in a manner which is consistent with the PSAs. If the proposed NX-12s are acceptable to you, I will request that New England Power, as the lead participant, submit revised NX-12s to NEPEX which reflect the data represented on the proposed NX-12s. If you wish to discuss the revisions, please contact me as soon as possible. I may be reached at (508) 291-0950, Extension 3579.

Sincerely,



Alan R. Johnson
Power Supply Administrator

Attachments

cc: D.P. Ciullo
T.N. Cronin, Esq.

NEPOOL FORM NX-12 A
Fossil Fuel Unit Generator Data

CONVEX	NEP	ALTRESCO	1 GT	ON	(1)
Satellite	Company	Plant	Unit No.		
(#) See Note #		Summer	Winter		
1. Low Limit		31.20 (3) MW Net	35.48 (2) MW Net		
2. Low Regulation Limit		NA MW Net	NA MW Net		
3. High Regulation Limit		NA MW Net	NA MW Net		
4. Normal Claimed Capability		42.26 MW Net	47.73 MW Net		
5. Reserve Claimed Capability		42.26 MW Net	47.73 MW Net		
6. Maximum Claimed Capability		42.26 MW Net	47.73 MW Net		
7. Response Rates		Manual Response Rate	4.00 MW/Min.		
		Automatic Response Rate	NA MW/Min.		
		Reserve Response Rate	NA MW/Min.		
8. Minimum Run Time			12 Hours		
9. Minimum Shut-down Time			4 Hours		
10. Start-up Time from Cold Conditions			6 Hours		
11. Start-up Time from Hot Conditions			4 Hours		
12. Start-up Heat Input and other Costs Cold		500 10 ⁶ BTU	\$ 0.00		
13. Start-up Heat Input and Other Costs Hot		465 10 ⁶ BTU	\$ 0.00		
14. Shut-down Time Cold Start Applies			8 Hours		
15. Maximum Number of Starts Per Year	* 300	Per GT	No Limit		
16. Nonsynchronized Reserve					
a. Status	10-min.	30-Min.	None	X	
b. MW Amount	10-min.	30-Min.	MW		
17. Must Run		Yes X	No		
18. Designated for Black Start Operation		Yes	No X		
19. Average Heat Rate at					
Winter Normal Net Capability	10.002	BTU/Net KWH at	47.73	MW	
20. Heat Rate Data					

	Output - MW		Incremental Heat Rate BTU/NetKWH	Input 10 ⁶ BTU/HR.
	Gross #	Net		
1. (ZERO)		0.00	9.994	0.0
2. (LOW LIMIT)		31.20	10.009	311.8
3.				
4.				
5.				
6. (NORMAL CAPABILITY-SUMMER)		42.26	10.037	422.50
7. (NORMAL CAPABILITY-WINTER)		47.73	10.037	477.4
8. (RESERVE CAPABILITY-WINTER)		47.73	10.037	477.4
9. (MAXIMUM CAPABILITY-WINTER)		47.73	10.037	477.4

Column for Gross Output for use by CONVEX companies only

-2-

NEPOOL FORM NX-12 A (Continued)

<u>CONVEX</u>	<u>NEP</u>	<u>ALTRESCO</u>	<u>1 GT</u>	<u>ON</u>
Satellite	Company	Plant	Unit No.	
21. Reactive Capability				
<u>MVAR Ranges</u>		<u>Max. MVARS</u>	<u>Min. MVARS</u>	<u>Max. MVARS</u>
<u>Load Levels</u>	<u>Net MW</u>	<u>Lagging</u>	<u>Lagging</u>	<u>Leading</u>
Minimum Load	<u>35.48</u>	<u>47.90</u>	<u>0.00</u>	<u>0.00</u>
Half Load	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Three-quarter Load	<u>35.80</u>	<u>47.80</u>	<u>NA</u>	<u>NA</u>
Full Load	<u>47.73</u>	<u>43.40</u>	<u>0.00</u>	<u>0.00</u>
22. Manning Status and Labor Charges				
Fully Manned <u>X</u>		Partially Manned _____	Unmanned _____	
<u>Hours Unit Not Manned</u>		<u>Labor Charges - \$/HR</u>		
Weekdays	From _____ To _____	_____ NA _____		
Saturdays	From _____ To _____	_____ NA _____		
Sundays	From _____ To _____	_____ NA _____		
Holidays	From _____ To _____	_____ NA _____		
23. Data Revision No. <u>8</u> Date Prepared <u>10 / / 93</u> By <u>D. J. Gillespie</u>				

Requested Effective Date November 1, 1993

* Denotes data items changed in this revision.

NX12ALTR

NOTES:

1. This is one of a concatenated group of three (3) NX-12's for ALTRESCO.
2. At least one gas Turbine/Heat Recovery Steam Generator units must be on to satisfy steam requirements in the Winter.
3. At least one GT/HRSG unit must be on to satisfy minimum steam requirements in the summer.

NEPOOL FORM NX-12 A
Fossil Fuel Unit Generator Data

CONVEX	NEP	ALTRESCO	2 GT's ON	(1)
Satellite	Company	Plant	Unit No.	
(#) See Note #		Summer	Winter	
1. Low Limit		<u>71.70</u> MW Net	<u>87.30</u> MW Net	
2. Low Regulation Limit		<u>NA</u> MW Net	<u>NA</u> MW Net	
3. High Regulation Limit		<u>NA</u> MW Net	<u>NA</u> MW Net	
4. Normal Claimed Capability		<u>94.79</u> MW Net	<u>109.36</u> MW Net	
5. Reserve Claimed Capability		<u>94.79</u> MW Net	<u>109.36</u> MW Net	
6. Maximum Claimed Capability		<u>94.79</u> MW Net	<u>109.36</u> MW Net	
7. Response Rates	Manual Response Rate		<u>4.00</u> MW/Min.	
	Automatic Response Rate		<u>NA</u> MW/Min.	
	Reserve Response Rate		<u>NA</u> MW/Min.	
8. Minimum Run Time			<u>12</u> Hours	
9. Minimum Shut-down Time			<u>4</u> Hours	
10. Start-up Time from Cold Conditions			<u>4</u> Hours	
11. Start-up Time from Hot Conditions			<u>4</u> Hours	
12. Start-up Heat Input and other Costs Cold		<u>None</u> 10 ⁶ BTU	<u>\$ 0.00</u>	
13. Start-up Heat Input and Other Costs Hot		<u>None</u> 10 ⁶ BTU	<u>\$ 0.00</u>	
14. Shut-down Time Cold Start Applies			<u>NA</u> Hours	
15. Maximum Number of Starts Per Year	<u>* 300</u> Per GT		<u>No Limit</u>	
16. Nonsynchronized Reserve				
a. Status	10-min. <u> </u>	30-Min. <u> </u>	None <u>X</u>	
b. MW Amount	10-min. <u> </u> MW	30-Min. <u> </u> MW		
17. Must Run		Yes <u> </u>	No <u>X</u>	
18. Designated for Black Start Operation		Yes <u> </u>	No <u>X</u>	
19. Average Heat Rate at				
Winter Normal Net Capability		<u>10.001</u> BTU/Net KWH at	<u>109.36</u> MW	
20. Heat Rate Data				

	Output - MW		Incremental	Input
	Gross #	Net	Heat Rate BTU/NetKWH	10 ⁶ BTU/HR.
1. (ZERO)		<u>0.00</u>	<u>9.999</u>	<u>0.00</u>
2. (LOW LIMIT)		<u>71.70</u>	<u>10.004</u>	<u>716.90</u>
3.				
4.				
5.				
6. (NORMAL CAPABILITY-SUMMER)		<u>94.79</u>	<u>10.007</u>	<u>947.90</u>
7. (NORMAL CAPABILITY-WINTER)		<u>109.36</u>	<u>10.007</u>	<u>1,093.70</u>
8. (RESERVE CAPABILITY-WINTER)		<u>109.36</u>	<u>10.007</u>	<u>1,093.70</u>
9. (MAXIMUM CAPABILITY-WINTER)		<u>109.36</u>	<u>10.007</u>	<u>1,093.70</u>

Column for Gross Output for use by CONVEX companies only

-2-

NEPOOL FORM NX-12 A (Continued)

<u>CONVEX</u>	<u>NEP</u>	<u>ALTRESCO</u>	<u>2 GT's ON</u>
Satellite	Company	Plant	Unit No.
21. Reactive Capability			
<u>MVAR Ranges</u>		<u>Max. MVARs</u>	<u>Min. MVARs</u>
<u>Load Levels</u>	<u>Net MW</u>	<u>Lagging</u>	<u>Leading</u>
Minimum Load	<u>87.30</u>	<u>58.40</u>	<u>0.00</u>
Half Load	<u>NA</u>	<u>NA</u>	<u>NA</u>
Three-quarter Load	<u>NA</u>	<u>NA</u>	<u>NA</u>
Full Load	<u>109.36</u>	<u>51.80</u>	<u>0.00</u>

22. Manning Status and Labor Charges

Fully Manned X Partially Manned _____ Unmanned _____
Hours Unit Not Manned Labor Charges - \$/HR

Weekdays	From _____	To _____	<u>NA</u>
Saturdays	From _____	To _____	<u>NA</u>
Sundays	From _____	To _____	<u>NA</u>
Holidays	From _____	To _____	<u>NA</u>

23. Data Revision No. 8 Date Prepared 10 / /93 By D. J. Gillespie

Requested Effective Date November 1, 1993

* Denotes data items changed in this revision.

NX12ALTR

NOTES:

1. This is one of a concatenated group of three (3) NX-12's for ALTRESCO.
2. At least one gas Turbine/Heat Recovery Steam Generator units must be on to satisfy steam requirements in the Winter.
3. At least one GT/HRSG unit must be on to satisfy minimum steam requirements in the summer.

NEPOOL FORM NX-12 A
Fossil Fuel Unit Generator Data

CONVEX Satellite (#) See Note #	NEP Company	ALTRESCO Plant Summer	3 GT's ON Unit No. Winter	(1)
1. Low Limit		111.00 MW Net	136.30 MW Net	
2. Low Regulation Limit		NA MW Net	NA MW Net	
3. High Regulation Limit		NA MW Net	NA MW Net	
4. Normal Claimed Capability		145.61 MW Net	171.15 MW Net	
5. Reserve Claimed Capability		145.61 MW Net	171.15 MW Net	
6. Maximum Claimed Capability		145.61 MW Net	171.15 MW Net	
7. Response Rates	Manual Response Rate		4.00 MW/Min.	
	Automatic Response Rate		NA MW/Min.	
	Reserve Response Rate		NA MW/Min.	
8. Minimum Run Time			12 Hours	
9. Minimum Shut-down Time			4 Hours	
10. Start-up Time from Cold Conditions			4 Hours	
11. Start-up Time from Hot Conditions			4 Hours	
12. Start-up Heat Input and other Costs Cold		None 10 ⁶ BTU	\$ 0.00	
13. Start-up Heat Input and Other Costs Hot		None 10 ⁶ BTU	\$ 0.00	
14. Shut-down Time Cold Start Applies			NA Hours	
15. Maximum Number of Starts Per Year	* 300 Per GT		No Limit	
16. Nonsynchronized Reserve				
a. Status	10-min.	30-Min.	None	X
b. MW Amount	10-min.	30-Min.	MW	
17. Must Run		Yes	No	X
18. Designated for Black Start Operation		Yes	No	X
19. Average Heat Rate at Winter Normal Net Capability		10.000 BTU/Net KWH	at 171.15 MW	
20. Heat Rate Data				

	Output - MW		Incremental Heat Rate	Input
	Gross #	Net	BTU/NetKWH	10 ⁶ BTU/HR.
1.(ZERO)		0.00	9.998	0.0
2.(LOW LIMIT)		111.00	10.003	1.109.8
3.				
4.				
5.				
6.(NORMAL CAPABILITY-SUMMER)		145.61	10.004	1.456.0
7.(NORMAL CAPABILITY-WINTER)		171.15	10.004	1.711.50
8.(RESERVE CAPABILITY-WINTER)		171.15	10.004	1.711.50
9.(MAXIMUM CAPABILITY-WINTER)		171.15	10.004	1.711.50

Column for Gross Output for use by CONVEX companies only

-2-

NEPOOL FORM NX-12 A (Continued)

<u>CONVEX</u>	<u>NEP</u>	<u>ALTRESCO</u>	<u>3 GT's ON</u>
Satellite	Company	Plant	Unit No.
21. Reactive Capability			
<u>MVAR Ranges</u>		<u>Max. MVARs</u>	<u>Min. MVARs</u>
<u>Load Levels</u>	<u>Net MW</u>	<u>Lagging</u>	<u>Leading</u>
Minimum Load	<u>136.30</u>	<u>72.00</u>	<u>0.00</u>
Half Load	<u>NA</u>	<u>NA</u>	<u>NA</u>
Three-quarter Load	<u>NA</u>	<u>NA</u>	<u>NA</u>
Full Load	<u>171.15</u>	<u>60.60</u>	<u>0.00</u>

22. Manning Status and Labor Charges

Fully Manned X Partially Manned _____ Unmanned _____
Hours Unit Not Manned Labor Charges - \$/HR

Weekdays	From _____	To _____	<u>NA</u>
Saturdays	From _____	To _____	<u>NA</u>
Sundays	From _____	To _____	<u>NA</u>
Holidays	From _____	To _____	<u>NA</u>

23. Data Revision No. 8 Date Prepared 10 / / 93 By D. J. Gillespie

Requested Effective Date November 1, 1993

* Denotes data items changed in this revision.

NX12ALTR

NOTES:

1. This is one of a concatenated group of three (3) NX-12's for ALTRESCO.
2. Revision 6 was skipped so that all sheets have the same revision number.



October 18, 1993
AL2039

Attachment AG-1-1(b)

Mr. Alan R. Johnson
Power Supply Administrator
ComElectric
2421 Cranberry Highway
Wareham, MA 02571

Altresco Pittsfield Cogeneration Project
NX-12

Dear Mr. Johnson:

In regard to your September 29, 1993 letter to Mr. Smith, we agree that the NX-12 for the Pittsfield project needs to be modified to conform to the project's power sales agreements with Cambridge and ComElectric (PSAs) and with the project's design and regulatory limitations. However, we think that your proposed changes are not quite accurate.

First, the number of stops and restarts set forth in Section 4.1 of the PSAs relate to the whole unit and not the individual gas turbines as you propose (see the definition of "Unit" in the second paragraph of the PSAs).

Second, we disagree with your distinction between design and operational limitations. The limitation of 240 gas turbine start-ups per rolling year, imposed by the DEP, is a function of the emissions that result from start-ups which are in turn a function of the gas turbine design. In addition, and more significantly, Section 10.3 of the PSAs expressly provides that "this Agreement and all rights and obligations of the parties hereunder are subject to.....all duly promulgated orders....of governmental authorities." The DEP Conditional Approval Amendment clearly qualifies as a "duly promulgated order of a governmental authority" and as such our "obligation" to make the unit available for 300 stops and restarts is subject to that limitation.

October 18, 1993

Page - 2 -

Accordingly, we propose modifying the NX-12 for the unit to reflect a total number of gas turbine starts of 240 per rolling year. Attached is a revised copy of the NX-12A for "3 GTG on" indicating the change. Also shown on lines 10 and 11 are the start-up time durations currently in use. The NX-12A for the one and two unit configuration would be modified similarly.

Please contact me, at your earliest convenience, so that we can finalize this matter and coordinate filing revised NX-12 for the unit with New England Power.

Very truly yours,

ALTRESKO PITTSFIELD, L.P.
By Altresco, Inc.
Its General Partner


George A. Lehner
General Manager

GAL/b

enc

pc: H.Lutz
C.Terajewicz
P.Smith
J.Foster
Altresco Pittsfield project file

NEPOOL FORM NX-12 A
Fossil Fuel Unit Generator DataCRS#6
ATTACHMENT 1

CONVEX Satellite (#) See Note #	NEP Company	ALTRESKO Plant	3 GT's ON Unit No. (1)
1. Low Limit		Summer 111.00 MW Net	Winter 136.30 MW Net
2. Low Regulation Limit		NA MW Net	NA MW Net
3. High Regulation Limit		NA MW Net	NA MW Net
4. Normal Claimed Capability		145.61 MW Net	171.15 MW Net
5. Reserve Claimed Capability		145.61 MW Net	171.15 MW Net
6. Maximum Claimed Capability		145.61 MW Net	171.15 MW Net
7. Response Rates		Manual Response Rate 4.00 MW/Min.	Automatic Response Rate NA MW/Min.
8. Minimum Run Time		Reserve Response Rate NA MW/Min.	12 Hours
9. Minimum Shut-down Time		1st 2nd 3rd Total	4 Hours
* 10. Start-up Time from Cold Conditions		Unit Unit Unit	4 + 4 + 4 = 12 Hours
* 11. Start-up Time from Hot Conditions		Running 4 + 4 = 8	Hours
12. Start-up Heat Input and other Costs Cold		None 10 ⁶ BTU	\$ 0.00
13. Start-up Heat Input and Other Costs Hot		None 10 ⁶ BTU	\$ 0.00
14. Shut-down Time Cold Start Applies		240 GT Starts/rolling Year	NA Hours
* 15. Maximum Number of Starts Per Year		No Limit	
16. Nonsynchronized Reserve			
a. Status	10-min.	30-Min.	None X
b. MW Amount	10-min.	30-Min.	MW
17. Must Run		Yes	No X
18. Designated for Black Start Operation		Yes	No X
19. Average Heat Rate at Winter Normal Net Capability		10.000 BTU/Net KWH at	*171.15 MW
20. Heat Rate Data			

	Output - MW		Incremental Heat Rate	Input
	Gross #	Net	BTU/NetKWH	10 ⁶ BTU/HR.
1. (ZERO)		0.00	9.998	0.0
2. (LOW LIMIT)		111.00	10.003	1.109.8
3.				
4.				
5.				
6. (NORMAL CAPABILITY-SUMMER)		145.61	10.004	1.456.0
7. (NORMAL CAPABILITY-WINTER)		171.15	10.004	1.711.50
8. (RESERVE CAPABILITY-WINTER)		171.15	10.004	1.711.50
9. (MAXIMUM CAPABILITY-WINTER)		171.15	10.004	1.711.50
# Column for Gross Output for use by CONVEX companies only				

CRS #6
ATTACHMENT 1

-2-

NEPOOL FORM NX-12 A (Continued)

<u>CONVEX</u>	<u>NEP</u>	<u>ALTRESKO</u>	<u>3 GT's ON</u>
<u>Satellite</u>	<u>Company</u>	<u>Plant</u>	<u>Unit No.</u>
21. Reactive Capability			
<u>MVAR Ranges</u>			
<u>Load Levels</u>	<u>Net MW</u>	<u>Max. MVARs</u>	<u>Min. MVARs</u>
		<u>Lagging</u>	<u>Lagging</u>
Minimum Load	<u>136.30</u>	<u>72.00</u>	<u>0.00</u>
Half Load	<u>NA</u>	<u>NA</u>	<u>0.00</u>
Three-quarter Load	<u>NA</u>	<u>NA</u>	<u>NA</u>
Full Load	<u>171.15</u>	<u>60.60</u>	<u>0.00</u>
22. Manning Status and Labor Charges			
Fully Manned <u>X</u> Partially Manned		Unmanned	
<u>Hours Unit Not Manned</u>		<u>Labor Charges - \$/HR</u>	
Weekdays	From <u> </u> To <u> </u>	<u>NA</u>	
Saturdays	From <u> </u> To <u> </u>	<u>NA</u>	
Sundays	From <u> </u> To <u> </u>	<u>NA</u>	
Holidays	From <u> </u> To <u> </u>	<u>NA</u>	
23. Data Revision No. <u>8</u> Date Prepared <u>10 / / 93</u> By <u>D. J. Gillespie</u>			

Requested Effective Date November 1, 1993

* Denotes data items changed in this revision.

NX12ALTR

NOTES:

1. This is one of a concatenated group of three (3) NX-12's for ALTRESKO.
2. Revision 6 was skipped so that all sheets have the same revision number.

COM Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

November 4, 1993

Attachment AG-1-1(c)

Mr. George Lehner, General Manager
Altresco Pittsfield
P.O. Box 4579
Pittsfield, MA 01202

Dear Mr. Lehner:

I have reviewed your letter dated October 18, 1993 regarding the starts and stops issue. For the record, I feel that it would be appropriate to list the issues upon which we appear to be in agreement and to then list the issues of apparent dispute. I will then address the issues of dispute.

It appears that we agree on the following:

- 1.) The NX-12's currently on file with NEPOOL need to be revised to reflect the Cambridge Electric Light Company and Commonwealth Electric Company, (collectively "the Companies") Power Sales Agreements, each dated February 28, 1992 ("the Agreements").
- 2.) The Agreements define the term "Unit" as the group of three gas turbines (GTs) as a whole.
- 3.) The Department of Environmental Protection has issued a Conditional Approval Amendment (dated August 26, 1993) which limits the Altresco Pittsfield plant (the Unit) to no more than 240 start-ups during any consecutive 12 month period.

It appears that we disagree on the following:

- 1.) Whether or not the DEP imposed start and stop limitation is a design limitation of the Unit (where Unit herein refers to three gas turbines which together have a winter maximum claimed capability of 171.15 MW) or an operational limitation of the Unit.
- 2.) Whether or not Article 9.3 of the Agreements (not Article 10.3 as referenced in your October 18th letter) negates Altresco's responsibilities under Article 4.1 of the Agreements.
- 3.) Whether or not the Incremental Production Cost Penalty, as defined in Article 4.2.1 of the Agreements may be invoked due to Altresco's failure to provide 300 starts and stops of the Unit as agreed in Article 4.1 of the Agreements.

Mr. George Lehner
November 4, 1993
Page Two

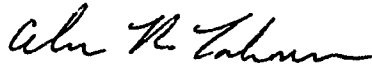
In responding to the issues of dispute, review of Article 4.1 of the Agreements is critical. Article 4.1 clearly provides the Companies with two rights. The first is to call for up to three hundred stops (i.e., 0 MW of generation) and three hundred restarts of the Unit per year. The second right is to change the level of output of the Unit. We are of the opinion that it is only this second right that is contingent upon the design limitations of the Unit. Hence we can argue about whether or not the DEP limitation is a design limitation or an operational limitation; however, the point would be moot since Article 4.1 grants the Companies three hundred stops and three hundred starts of the Unit unconditionally.

It is the Companies desire to, in essence, receive what we bargained for. In RFP #2, 1990, Altresco bid to provide 300 stops and 300 starts of the Unit per year. In the Agreements, signed in February of 1992, Article 4.1, the Companies were granted 300 stops and 300 starts of the Unit per year. As you are aware, agreements have been made among the parties that effectively revised this right to 300 reductions to the Unit's minimum load and 300 restarts of the Unit per year

In order to achieve this, two out of the three GTs must be off line, concurrently, 300 times per year, while the third GT is reduced to its minimum load. The proposed NX - 12 which you submitted with your letter would at best, provide us with only 120 stops and restarts of the Unit (two units shut down x 120 times per year = 240 stops). However, the Companies believe that the Agreements are explicit in providing them with the right to assess incremental production cost penalties for the failure to dispatch the Unit as agreed, i.e. if the full number of 300 stops and starts is not provided.

Therefore, you are hereby advised that per Article 4.2.1 of the Agreements, the Companies fully intend to invoke the Incremental Production Cost Penalty, if the NX - 12 data is not revised in accordance with the Agreements. If you care to discuss this issue further, I may be reached at (508) 291-0950, Extension 3579.

Sincerely,



Alan R. Johnson
Power Supply Administrator

bcc: D. P. Ciullo
T. N. Cronin, Esq.
M. R. Kirkwood
File



Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

Attachment AG-1-1(d)

December 3, 1993

Mr. Philip C. Smith
J. Makowski Associates, Inc.
One Bowdoin Square
Boston, MA 02114-2910

Re: Altresco Pittsfield

Dear Mr. Smith:

During a recent conversation with NEPOOL personnel, it has come to our attention that the allotment of starts and stops for the Altresco Pittsfield Unit (per the NX-12s on file) have been consumed for the year. Therefore, you are hereby notified that the Incremental Production Cost Penalty (IPCP), as defined in Article 4.2.1 of the Cambridge Electric Light and Commonwealth Electric Company (herein referred to as the "Companies") power sales agreements (PSAs) will be assessed in accordance with the aforementioned Article for the remainder of the year; or, until the NX-12s are revised to reflect 300 starts and stops of the Unit as allotted in Article 4.1 of the PSAs.

Sincerely,

A handwritten signature in cursive script that reads "Alan R. Johnson".

Alan R. Johnson
Power Supply Administrator



Attachment AG-1-1(e)

December 20, 1993

Mr. Alan R. Johnson
Power Supply Administrator
ComElectric
2421 Cranberry Highway
Wareham, Massachusetts 02571

Dear Alan:

In response to your letter dated December 3, 1993, Altresco hereby notifies you that it is invoking its rights under Articles 9.3 and 10.1 of the Cambridge Electric Light and Commonwealth Electric Company power sales agreements (PSAs) as they apply to stops and starts provisions in the PSAs. As a result, it will not pay, nor allow any deductions to be made on its power sales invoices, for Incremental Production Cost Penalties for which ComElec attempts to charge Altresco as a result of the rolling twelve-month cumulative 240 combustion turbine starts limitation specified in its air permit issued by the Massachusetts Department of Environmental Protection (DEP). It is this regulatory permit requirement which is precluding ComElec from being able to utilize the 300 unit starts specified under Article 4.1. Any invoiced amounts left unpaid by ComElec will be subject to late charges in accordance with Article 8.1 of the PSAs.

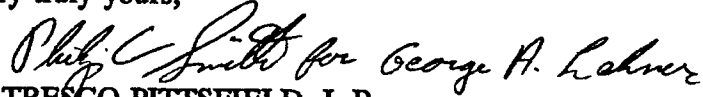
Altresco diligently continues its efforts to provide the level of service, including stops and starts, specified in its contracts with ComElec. On May 25, 1993, Altresco made application to the DEP for an air permit modification which would remove any limitations on combustion turbine starts and stops. The DEP denied that element of Altresco's request in its Air Permit Amendment issued to the facility on August 26, 1993.

Altresco continues to use all reasonable efforts to remove the air permit restriction on stops and starts so that ComElec may receive its full contract right to 300 unit starts and stops. Altresco intends to petition the DEP once again to remove the permit restriction on stops and starts, requesting that the Department rely on its other permit conditions to achieve the its goal of maintaining air quality.

Given that the 240 combustion turbine start limitation is dictated by regulation by DEP Air Permit Conditions and that Altresco continues to use its best efforts to remove the restriction

precluding ComElec from its rights to 300 unit starts and stops, Altresco is excused under Articles 9.3 and 10.1 from performing and shall not be liable to damages, including the imposition of Incremental Production Cost Penalties.

Very truly yours,


ALTRESCO PITTSFIELD, L.P.

By Altresco, Inc
Its General Partner

George A. Lehner
General Manager

pc: C. Terajewicz
K. Donovan
J. Foster
N. Collins
P. Smith
M. Hamblet
Altresco Pittsfield project file

COM Electric

Interoffice
Correspondence

Attachment AG-1-1(f)

Subject ALTRESCO START/STOP ISSUE

Date December 24, 1993

To T.N. CRONIN

Organization and Area
RESOURCE PLANNING & ADMINISTRATION
POWER SUPPLY ADMINISTRATION

Attached is a copy of Altresco's response to my letters dated November 4th and December 3rd 1993 (copies attached). The letter indicates that Altresco intends to rely on Articles 10.1 (force majeure) and 9.3 (governmental regulation) of the Cambridge and Commonwealth PSAs, as its defense for not providing 300 starts and stops of the Unit.

Please review Altresco's letter and provide guidance as to how we should proceed. For example, is arbitration the next step? Again, thanks for your assistance.

A.J.

Alan Johnson

attachments

cc: DPC (w/o attachments)

COM Electric

Attachment AG-1-1(g)

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

Reply to:

February 28, 1994

Mr. E. Kenneth Nielsen
Director, NEPOOL Billing
NEPOOL
P.O. Box 1310
Holyoke, MA 01041-1310

Dear Mr. Nielsen:


In accordance with NABS Procedure No. 2, Commonwealth Electric Company requests that NEPOOL Billing re-run Commonwealth's Own Load Dispatch for the cycles of weeks beginning:

11/1/93
11/8/93
11/15/93
11/22/93
11/29/93
12/6/93

The basis for Commonwealth's request is the dispatch of Unit No. 354 (Altresco). During the above-referenced cycles, the Altresco facility was fixed at loads carried in Commonwealth's own-load. It is Commonwealth's understanding that the decision to fix the unit at loads carried was made because NEPOOL had exhausted its allotted starts/stops on the unit. While this may have been the case, Commonwealth contends that the unit should have been allowed to be backed down to its minimum load level with three gas turbines on (See attached NX-12 data). Backing down the unit as stated would allow Commonwealth to make better use of its nuclear resources.

Please contact me if you have any questions or concerns regarding this request. I can be reached at (508) 291-0950, Extension 3372.

Sincerely,


Daniel P. Ciullo
Manager, Power
Supply & Administration

DPC:ecm

bcc: A. R. Johnson
M. R. Kirkwood
J. R. Perry
J. J. Podrecca

*Copy to:**TNC
ARJ
JJP
AMC
JRP*

May 5, 1994

L3109

Attachment AG-1-1(h)

Mr. Dan Cuillo, Manager - Power Supply Administration
Commonwealth Electric
2421 Cranberry Highway
Wareham, Massachusetts 02571

Dear Mr. Cuillo:

Altresco Pittsfield Limited Partnership believes that ComElec has acted outside of the terms of the Power Supply Agreements between Altresco and Commonwealth Electric Company and Cambridge Electric & Light Company by charging and withholding Incremental Production Cost Penalties equal to \$63,040 against its March invoices. Altresco requests immediate payment plus accrued interest in accordance with Article 8.1 of the Agreement.

ComElec has made its facility available and operated it in compliance with the dispatchability provisions of Article 4 of the Agreements and should not be subject to Incremental Production Cost Penalties. While Article 4.1 stipulates that Altresco will provide up to 300 unit stops and starts, it is precluded from doing so by its air emissions permit from the Massachusetts DEP. ComElec's right to charge Incremental Production Penalty Costs under Article 4.2 are subject to the provisions of Article 10.

Article 10.1 states that either party is excused from performing those specific terms of the Agreements which are in violation of statute or regulation and shall not be subject to damages which may result. In accordance with Article 10.1, Altresco notified ComElec of this event of force majeure in a letter dated December 20, 1993, which was sent to Mr. Alan R. Johnson.

As pointed out in that letter, Altresco is diligently seeking a permit modification which will remove the restriction on unit stops and starts. An application was filed in May 1993 to remove the limitations on stops and starts. The DEP denied that element of Altresco's request in its Air Permit Amendment issued to the facility on August 26, 1993. A second written application for an air permit modification which would eliminate restrictions on unit stops and starts was filed with the DEP on February 28, 1994. Altresco met with the DEP on May 5, 1994, to discuss the merits of Altresco's request. Altresco will continue to pursue the necessary regulatory permit modifications which preclude the facility from providing ComElec 300 stops and starts until all available avenues have been exhausted.

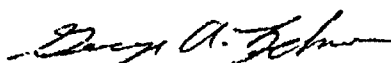
May 5, 1994

Page - 2 -

We would like to further discuss this matter with you. I will call you next week to arrange a meeting.

Very truly yours,

ALTRESCO PITTSFIELD, L.P.
by Altresco, Inc.
its General Partner



George A. Lehner .
General Manager

GAL/PS/b

pc: C. Terajewicz
R. Warburton
K. Donovan
J. Foster
N. Collins
P. Smith
D. MacDonald
Altresco Pittsfield project file

COM Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

July 6, 1994

Attachment AG-1-1(i)

Mr. George A. Lehner, General Manager
Altresco Pittsfield, L.P.
235 Merrill Road-P.O. Box 4579
Pittsfield, MA 01202

Dear Mr. Lehner:

I have contacted the Manager of NEPOOL Billing to inquire as to the issue of the lack of stops at the Altresco Pittsfield Plant ("Plant") effective November 1, 1993. The following explanation was given:

Effective November 1, 1993, COM/Electric had utilized its full allotment of 150 stops for the Plant. Although the NX-12 on file with NEPOOL raised that start count to 240 with an effective date of December 1, 1993, NEPOOL did not increase the start count to 240 until January 1, 1994. NEPOOL stated that they were not able to reflect the increased amount because they work on a calendar year basis.

With regards to the NX-12 filed with NEPOOL by New England Power Company ("NEP"), NEPOOL stated that they told NEP that:

- a.) NEPOOL would not increase the stop count until January 1, 1994; and,
- b.) NEPOOL could not administer a start/stop count on a rolling average 12-month basis.

I have requested that NEP submit a revised NX-12 that portrays the actual dispatch parameters and NEPOOL's billing treatment of the Plant.

Please call me if you have any questions or need further information regarding this matter.

Sincerely,



Daniel P. Ciullo
Manager - Power
Supply Administration

DPC:ecm

cc: P. Smith - J. Makowski

bcc: T. N. Cronin
A. M. Gould
A. R. Johnson
M. R. Kirkwood

Interoffice Correspondence

Subject Altresco-Pittsfield Start/Stop Issue

Date August 3, 1994

To D. P. Ciullo

Organization and Area
Resource Planning & Administration
Power Supply Administration

Dan, I have reviewed the Altresco-Pittsfield start/stop issue. Below are the facts (as I know them) and my current position regarding this matter.

THE FACTS

1. Through analysis of the relevant 293 Reports, it was determined that through October 31, 1993, the Altresco plant had consumed:

119 stops
117 starts
52 Contract stops (2 GTs off-line, 1 GT at its low limit)

Per the NX-12 in effect at the time, the plant was allotted 150 stops/starts per year. Since Altresco had only utilized 119 stops, stops were available to be used on November 1, 1993. Therefore, Altresco should not be hit with an Incremental Production Cost Penalty unless it can be shown that the Plant consumed 31 additional stops on or before November 31, 1993.

2. Beginning November 1, 1993, NEPOOL ran the Plant at loads carried under the belief that the Plant had consumed all available stops in the own load case.
3. A revised NX-12 was submitted to NEPOOL effective December 1, 1993. This NX-12 increased the number of stops/starts from 150 to 240, on a rolling year basis. There is no indication that the NX-12 was not accepted by NEPOOL or made effective on a date other than December 1. Therefore, Altresco should not be hit with an Incremental Production Cost Penalty unless it can be shown that the plant consumed 240 stops from September 1 through December 31, 1994.
4. Through July 10, 1994, on a calendar year basis, 144 stops/starts have been consumed. At the current pace, all available stops will be consumed in November, 1994.
5. On a rolling year basis, Altresco consumed 240 starts through June 20, 1994.

Daniel P. Ciullo
August 3, 1994
Page Two

ACTION ITEMS

1. As stated above, my analysis shows that Altresco consumed 119 stops through October 1, 1993. This is in conflict with NEPOOL's analysis. Therefore, one of the following should be done:
 - a.) NEPOOL must justify its count to our satisfaction, so that we may in turn deliver a reasonable explanation to Altresco
 - b.) If NEPOOL cannot justify its count, the own load dispatch must be re-run, allowing up to 150 stops through November 31, 1993.
2. NEPOOL must re-run our own load dispatch for December 1993, recognizing an additional 90 stops due to the revised NX-12.
3. Unless NEPOOL is able to justify its stop count, it appears that Altresco should be refunded all monies charged against their account, in the form of Incremental Production Cost Penalties, for the six week period beginning November 1, 1993. Reasoning for such action is as follows:
 - a.) Altresco did not consume 150 own load stops as of 11/1/93 (only 119).
 - b.) Altresco obtained an additional 90 own load stops as of 12/1/93. It is doubtful that all were consumed, but this will not be known until NEPOOL re-runs the own-load dispatch for November and December 1993.
4. Discuss with NEPOOL the need to count stops/starts on a rolling year basis.

ISSUES

1. If NEPOOL is unwilling to count stops/starts on a rolling year basis, how do we resolve the discrepancy? It should not be ignored because there could likely be occasions where limits are exceeded under a calendar year basis and not exceeded under a rolling year basis.
2. How do we approach Altresco on this issue to make it a "Win"- "Win" scenario?
3. Let's be sure that whatever action we take, either NEPOOL, Altresco, COM/Energy, or some combination thereof takes the hit, not the customer.

Please let me know if you would like to discuss this memo further.

a.1.

Alan Johnson

cc: File



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(k)

February 6, 2003

VIA FACSIMILE

Mr. Michael E. Cartney
General Manager
Pittsfield Generating Company, L.P.
235 Merrill Road
Pittsfield, MA 01201

Re: Delivery Points under Standard Market Design

Dear Mr. Cartney,

As you know, ISO-NE is planning to implement a new market system effective March 1, 2003. Under Standard Market Design, zone and node designations have been assigned to identify specific points on the electric transmission system.

From my reading of the Power Sale Agreement between Cambridge Electric Light Company and Altresco Pittsfield, L.P. (Altresco), Article 1 provides that power generated by Altresco shall be delivered to the point at which Cambridge Electric Light Company's transmission or distribution system connects to the transmission or distribution system of Boston Edison Company, which is the adjacent utility. It is our determination that the nodes named LD.ALEWIFE 13.8 (50% to ISO-NE node 4249) and LD.PUTNAM 13.8 (50% to ISO-NE node 4248) are those points.

Please call me if you have questions regarding this matter. I can be reached at 781-441-8029.

Sincerely,

A handwritten signature in cursive script that reads "Keith A. Goodwin".

Keith Goodwin
Senior Contract Administrator



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(l)

February 6, 2003

VIA FACSIMILE

Mr. Michael E. Cartney
General Manager
Pittsfield Generating Company, L.P.
235 Merrill Road
Pittsfield, MA 01201

Re: Delivery Points under Standard Market Design

Dear Mr. Cartney,

As you know, ISO-NE is planning to implement a new market system effective March 1, 2003. Under Standard Market Design, zone and node designations have been assigned to identify specific points on the electric transmission system.

From my reading of the Power Sale Agreement between Commonwealth Electric Company and Altresco Pittsfield, L.P. (Altresco), Article 1 provides that power generated by Altresco shall be delivered to the point at which Commonwealth Electric Company's transmission or distribution system connects to the transmission or distribution system of New England Power Company, which is the adjacent utility. It is our determination that the following named nodes are those points:

LD.SANDWICH115	(11.2% to ISO-NE node 4229)
LD.INDSTLPK115	(11.1% to ISO-NE node 4242)
LD.FISHR_RD115	(11.1% to ISO-NE node 4244)
LD.CROSS_RD115 109X LD	(11.1% to ISO-NE node 4823)
LD.CROSS_RD115 111X LD	(11.1% to ISO-NE node 4824)
LD.W_POND 115 116X LD	(11.1% to ISO-NE node 4918)
LD.W_POND 115 117X LD	(11.1% to ISO-NE node 4919)
LD.KINGSTON115	(11.1% to ISO-NE node 4235)
LD.TREMONT 115	(11.1% to ISO-NE node 4233)

Please call me if you have questions regarding this matter. I can be reached at 781-441-8029.

Sincerely,

Keith Goodwin
Senior Contract Administrator



**PG&E National
Energy Group.**

Pittsfield Generating
Plant

Owner: Pittsfield Generating Company, L.P.

Attachment AG-1-1(m)

(deliveries)
235 Merrill Road
Pittsfield, MA 01201

POB 4579
Pittsfield, MA 01202

413.442.6905
Fax: 413.443.7499

March 1, 2003

Keith Goodwin
Senior Contract Administrator
NSTAR Electric
One NSTAR Way
Westwood, MA 02090

Dear Keith:

Following up on our conversation of a couple of weeks ago, this will respond to your letters of February 6, 2003 regarding delivery points for the power that NSTAR purchases from Pittsfield Generating Company L.P. As you know, the New England Independent System Operator (ISO-NE) had requested both of us to help identify delivery points in our contracts for modeling the Auction Revenue Rights that NSTAR will receive under ISO-NE's new Standard Market Design that are associated with the power purchase agreements between Pittsfield Generating and Cambridge Electric Company and Commonwealth Electric Company. ISO-NE did not use the points that we specified as being consistent with our contracts because of the limitations of their system models and their desire to model energy flowing to final loads for purposes of calculating Auction Revenue Rights.

We understand that you provided ISO-NE with lists of potential delivery nodes that matched the delivery points listed in your letters of February 6. We also understand, however, that many of the delivery points identified in your letters have not been chosen by ISO-NE to be used for that purpose. While the points that ISO-NE has chosen for the purpose of calculating Auction Revenue Rights are not among the possible delivery points in the power purchase agreements and do not match exactly those identified in your letter, we believe that they will result in more valuable Auction Revenue Rights for NSTAR than if ISO-NE could model and had modeled the Auction Revenue Rights based upon delivery options under our contracts.

We do not believe that there is any need at this time to specify a particular delivery point or set of delivery points under the power purchase agreements. We would, however, like to point out that we do not agree that many of the points you have identified could be properly deemed points of delivery under the pertinent agreements. We would furthermore like to point out that we believe that under our agreements we may designate one or more delivery points among the possible points stated in the agreements, and that we may change those designations from time to time in our discretion. To be clear, we believe that our contractual responsibilities are satisfied as long as power may flow from our generating unit to any one or more of the permissible points of delivery in the agreements.

March 3, 2003

Page 2

As I indicated, we do not believe there is any occasion for us to have a disagreement on this question at this time, but wanted to be sure that you understood that we do not agree with the position, implicit in your letters, that we must designate a fixed collection of delivery points, or that the points you have listed constitute the appropriate universe of points permitted under the agreements. Because we do not anticipate any disruption in our ability to deliver power to any of the permissible points, we do not believe that any disagreement on this question should become important.

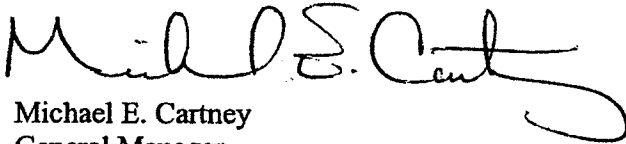
The transition to ISO-NE's new Standard Market Design has created work for all of us. I appreciate your cooperation and extra effort in implementing our agreements in the new system, and I look forward to continuing to work with you in your new role as NSTAR's administrator of our contracts.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.

By Altresco Inc.

Its General Partner

A handwritten signature in black ink, appearing to read "Michael E. Cartney". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Cartney
General Manager



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(n)

April 11, 2003

VIA FACSIMILE

Mr. Michael E. Cartney
General Manager
PG&E National Energy Group
Pittsfield Generating Company, L.P.
P.O. Box 4579
Pittsfield, MA 01202

Re: Delivery Points Under Standard Market Design

Dear Michael:

I write in response to your letter of March 1, 2003, regarding the above matter.

In your letter you state that under the terms of the Agreement, the supplier may designate one or more delivery points, and may change those points in the supplier's discretion. NSTAR Electric does not believe this statement is accurate. Under the pertinent terms of the Agreement, the delivery points may be changed only upon agreement of the parties. Furthermore, as indicated in my prior correspondence, NSTAR Electric is advising that delivery to the referenced nodes constitutes satisfaction of the supplier's obligations under the Agreement. NSTAR Electric is not proposing to change the Delivery Points or any other term of the Agreement. I trust that you share an interest in validating the delivery point nodes necessitated by the implementation of Standard Market Design, and, therefore, I request that you provide me with any specific concerns you have regarding the nodes I have specified, and, if you are suggesting that other nodes are applicable, then the rationale for the selection of those nodes.

I look forward to your response in this regard.

Sincerely,

A handwritten signature in cursive script that reads "Keith A. Goodwin".

Keith A. Goodwin
Senior Contract Administrator

cc: Timothy Cronin
Rose Ann Pelletier

Confirmation Report - Memory Send

Time : Apr-11-2003 10:22am
Tel line : 7814418053
Name : NSTAR

Job number : 596
Date : Apr-11 10:21am
To : 914134437499
Document pages : 002
Start time : Apr-11 10:21am
End time : Apr-11 10:22am
Pages sent : 002
Status : OK

Job number : 596

*** SEND SUCCESSFUL ***



Fax Correspondence

Date: April 11, 2003
To: Michael E. Cartney
From: Keith A. Goodwin

Pages to follow (including this cover): 2

NSTAR letter dated April 11, 2003 Re: Delivery Points Under Standard Market Design



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(o)

April 30, 2003

VIA FACSIMILE

Mr. Michael E. Cartney
General Manager
PG&E National Energy Group
Pittsfield Generating Company, L.P.
P.O. Box 4579
Pittsfield, MA 01202

Re: Payment for March 2003

Dear Michael:

The payment to GECC/PITTSFIELD GENERATING for March 2003 power purchases has been scheduled for May 2, 2003. To assist you in understanding how the amount to be paid was adjusted, I have attached a schedule listing the payment by company and by component.

You will note that the payments to GECC/PITTSFIELD GENERATING will be adjusted to accomplish a financial settlement for the delivery of March 2003 energy entitlements to the contracts' delivery points. The financial settlement amount is based on Real Time prices and will be adjusted when adequate data becomes available to allocate the correct portion of the entitlements to the daily markets. In addition, loss refund amounts applicable to the GECC/PITTSFIELD GENERATING deliveries will be reflected when they become available. I have attached a copy of a portion of the worksheet where the financial settlement amounts were calculated for your reference. A copy of the complete worksheet is being provided to you electronically to assist you in understanding the adjustment.

You can reach me at (781) 441-8029 if you have any questions.

Sincerely

A handwritten signature in dark ink, appearing to read "Keith A. Goodwin". The signature is fluid and cursive, with the first name "Keith" being more prominent.

Keith A. Goodwin
Senior Contract Administrator

Attachments

**Purchased Power
Altresco - Cambridge
March 2003**

Metered Kwh for Est	15,616,452	From Altresco
Delivered KWH	15,460,287	
Energy \$	\$422,066.00	
Capacity \$	<u>\$1,051,837.00</u>	
Sub-Total \$	\$1,473,903.00	
Energy Adj. - Feb.03	\$4,892.00	
March 03 LMP Adj.	<u>(\$19,648.00)</u>	
Total \$	\$1,459,147.00	

**Purchased Power
Altresco - Commonwealth
March 2003**

Metered Kwh for Est	15,616,452	From Altresco
Delivered KWH	15,460,287	For Purch Pwr Actual
Energy \$	\$422,066.00	
Capacity \$	<u>\$1,015,847.00</u>	
Sub-Total \$	\$1,437,913.00	
Energy Adj. - Feb 03	\$4,892.00	
March 03 LMP Adj.	<u>\$11,704.00</u>	
Total \$	\$1,454,509.00	

[illegible]

Confirmation Report - Memory Send

Time : Apr-30-2003 01:41pm
Tel line : 7814418053
Name : NSTAR

Job number : 729
Date : Apr-30 01:40pm
To : 914134437499
Document pages : 004
Start time : Apr-30 01:40pm
End time : Apr-30 01:41pm
Pages sent : 004
Status : OK

Job number : 729

*** SEND SUCCESSFUL ***



Fax Correspondence

Date: April 30, 2003

To: Michael E. Carney

From: Keith A. Goodwin

Pages to follow (including this cover): 4

NSTAR letter dated April 30, 2003 Re: Payment for March 2003

Attn: Original sent to Mike via overnight delivery



**PG&E National
Energy Group™**

Pittsfield Generating
Plant
Owner: Pittsfield Generating Company, L.P.

Attachment AG-1-1(p)

235 Merrill Road
Pittsfield, MA 01201

413.442.6905
Fax: 413.443.7499
www.neg.pge.com

May 13, 2003

Keith A. Goodwin
Senior Contract Administrator
NSTAR Electric and Gas
800 Boylston Street
Boston, MA 02199

Re: ***Payment for March 2003 Purchases***

Dear Mr. Goodwin:

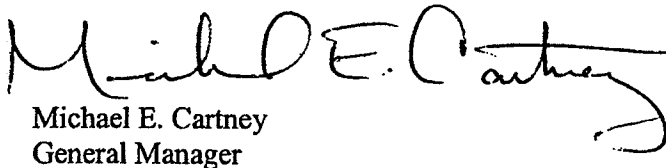
We have carefully reviewed your letter of April 30th, 2003 and its enclosures, which report that NSTAR has made substantial adjustments to our invoices for the month of March. These adjustments are purportedly based upon the newly implemented Standard Market Design of the New England Power Pool. The adjustments apparently reflect differences in dollars credited to NSTAR by the Pool for electric energy at our substation at the Altresco node and dollars debited from NSTAR by the Pool for electric energy at various points on the electric power grid that you have selected. In other words, you appear to have calculated the differences in the Standard Market Design's Locational Marginal Prices between the various points you have selected, and then deducted those figures from the invoices we submitted.

Our relationship with NSTAR, however, is governed not by the Standard Market Design or other internal compensation arrangements of the Pool, to which we do not belong, but by our power purchase agreements with NSTAR's Cambridge Electric Company and Commonwealth Electric Company. We have reviewed those power purchase agreements and do not believe that the adjustments, which are very substantial, have any contractual basis. Could you please identify for us the specific contractual provisions on which the adjustments are based?

We do not believe it is appropriate for NSTAR to make large unilateral adjustments without explanation. We therefore request that you provide a substantive response to this letter within ten (10) days.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.
By Altresco, Inc.
Its General Partner



Michael E. Cartney
General Manager

/db

PG&E National Energy Group and any other company referenced herein which uses the PG&E name or logo are not the same company as Pacific Gas and Electric Company, the California utility. These companies are not regulated by the California Public Utilities Commission, and customers do not have to buy products from these companies in order to continue to receive quality regulated services from the utility.



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(q)

May 22, 2003

VIA OVERNIGHT MAIL

Mr. Michael E. Cartney
General Manager
PG&E National Energy Group
Pittsfield Generating Company, L.P.
235 Merrill Road
Pittsfield, MA 01201

Re: Payment for March 2003 Purchases

Dear Mr. Cartney:

Thank you for your letter of May 13, 2003. We at NSTAR have been learning and are continuing to learn how SMD affects us and our contractual rights and obligations. We have and we will continue to share with you our understanding of issues that affect us both.

I concur with you that the arrangements between Cambridge Electric Light Company (CELC) and Commonwealth Electric Company (CEC) and Altresco Pittsfield, L.P. (Altresco) are determined by the contracts between the parties and not SMD. Under those contracts, Altresco is obligated to deliver to the CELC and CEC delivery points, their appropriate shares of Altresco's output. When preparing the payment for March deliveries, NSTAR calculated the differences in Locational Marginal Prices (LMP) between where Altresco's output enters the transmission grid to the delivery points under the CELC and CEC contracts. In doing so, NSTAR calculated the financial settlement amounts for Altresco to deliver CELC's and CEC's entitlements to the delivery points. You will note that the process was applied uniformly, whether it benefited or cost NSTAR money was irrelevant.

Your letter describes the delivery points used for the adjustment as having been selected by NSTAR. They were selected by NSTAR based on the contracts. NSTAR developed the listing of delivery points for Altresco by examining transmission diagrams and focusing on each contract's specific language regarding delivery of power. NSTAR notified you of our position regarding the delivery points. As explained in my letter of April 11, we will gladly discuss using other delivery point nodes with you. However, there must be supportable rationale for any delivery point selections.

You can reach me at (781) 441-8029 if you have any questions.

Sincerely

A handwritten signature in dark ink, appearing to read "Keith A. Goodwin".

Keith A. Goodwin
Senior Contract Administrator



**PG&E National
Energy Group..**

Pittsfield Generating
Plant

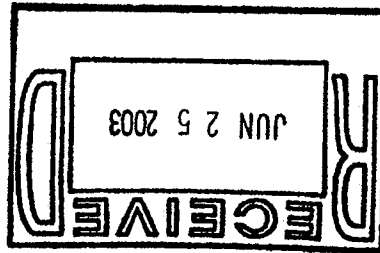
Owner: Pittsfield Generating Company, L.P.

Attachment AG-1-1(r)

235 Merrill Road
Pittsfield, MA 01201

413.442.6905
Fax: 413.443.7499
www.neg.pge.com

June 23, 2003



Keith A. Goodwin
Senior Contract Administrator
NSTAR Electric and Gas
800 Boylston Street
Boston, MA 02199

Re: *Payment for March 2003 Purchases*

Dear Mr. Goodwin:

Thank you for your letter of May 22, 2003 responding to mine of May 13, 2003. Your letter describes the process NSTAR has followed in making deductions from our invoice for the month of March of this year. I am pleased that you have agreed that our relationship is governed by the power purchase agreements between Pittsfield and Commonwealth and Cambridge and not SMD. However, in my letter of May 13, I noted that we have reviewed those agreements and have not located any contractual clauses that would justify the adjustments that NSTAR has made to our invoice. I therefore repeat the request in my letter of May 13 that NSTAR identify for us the specific contractual provisions on which its adjustments are based. I am sure you will agree that neither party may make a substantial change to the governing financial arrangements without at least explaining its rationale for doing so under the contracts. Given the nature of the adjustments involved, I request that you do so within the next ten days.

As previously noted, we do not agree that there is now any occasion for designating specific delivery points under the agreements, which we have never done or been asked to do for many years of successful operation.

Thank you for your prompt attention to this important matter.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.

By Altresco, Inc.

Its General Partner

Michael Cartney
General Manager

cc: John Shope
Marguerite Catanzaro
Beth van Bladel
George Lehner



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(s)

July 1, 2003

Mr. Michael E. Cartney
General Manager
PG&E National Energy Group
Pittsfield Generating Company, L.P.
235 Merrill Road
Pittsfield, MA 012011

Re: Delivery Costs for the Electricity Purchased by NSTAR Electric from Altresco Pittsfield, L.P.

Dear Mr. Cartney:

I write in furtherance of your June 23, 2003 letter requesting contractual support for NSTAR Electric's position that Altresco Pittsfield, L.P. (Altresco) is responsible for all costs associated with the delivery of the electricity entitlements under the NSTAR Electric / Altresco agreements, including the difference in Locational Marginal Prices ("LMP") between the point where the Altresco electricity enters the grid, and the Delivery Point, as defined in these Agreements.

As you know, Altresco and NSTAR Electric are parties to two agreements: the first, between Altresco and Cambridge Electric Light Company, dated February 20, 1992, as amended (the "Cambridge Agreement") and the second, between Altresco and Commonwealth Electric Company, dated February 20, 1992, as amended (the Commonwealth Agreement). The terms of these Agreements pertaining to the cost of delivery of the electricity entitlements sold thereunder to the Delivery Points are as follows:

The Cambridge Agreement

Article 1 of this Agreement states that "Delivered Energy" shall mean "for each Billing Period, the product of (i) 0.99 and (ii) the kilowatthours metered during the Billing Period pursuant to Article 7 of this Agreement minus the Non-Pool transmission losses (in kilowatthours) as may be applicable to the wheeling agreement pursuant to which the Company's Entitlement to electricity produced by the Unit will be transmitted to the Delivery Point." Article 1 of this Agreement defines the "Delivery Point" as "the point at which the Company's transmission and distribution system connects with the transmission or distribution system of Boston Edison Company, which is the adjacent utility that is wheeling the electricity produced by the Seller to be purchased by the Company." Article 6.2 further provides that "In any case, electric energy generated by the Unit shall be delivered to the Company at the Delivery Point in the form of three (3) phase, sixty (60) hertz, alternating current at the Interconnection Voltage".

The Commonwealth Agreement

Article 1 of this Agreement states that "Delivered Energy" shall mean "for each Billing Period, the product of (i) 0.99 and (ii) the kilowatthours metered during the Billing Period pursuant to Article 7 of this Agreement minus the Non-Pool transmission losses (in kilowatthours) as may be applicable to the wheeling agreement pursuant to which the Company's Entitlement to electricity produced by the Unit will be transmitted to the Delivery Point." Article 1 of this Agreement defines the "Delivery Point" as "the point at which the Company's transmission and distribution system connects with the transmission or distribution system of New England Power Company, which is the adjacent utility that is wheeling the electricity produced by the Seller to be purchased by the Company." Article 6.2 further provides that "In any case, electric energy generated by the Unit shall be delivered to the Company at the Delivery Point in the form of three (3) phase, sixty (60) hertz, alternating current at the Interconnection Voltage".

Mr. Michael E. Cartney
July 1, 2003
Page 2 of 2

NSTAR Electric firmly believes that the foregoing provisions obligate Altresco to incur all costs and charges associated with delivery of the NSTAR Electric entitlements to the Delivery Points, including the costs associated with the differential in LMP arising as a result of the implementation of Standard Market Design by ISO-NE, as described above. NSTAR Electric has also provided you with ample support regarding the designation of the specific delivery nodes that are now associated with the Delivery Points under SMD, as well as a description of the process undertaken in identifying those nodes.

In addition, as you may know, the alteration of the bidding processes under SMD has also resulted in the creation of potential costs and benefits arising from the bidding of the Altresco Unit in the Day – Ahead Market (which is essential in order to obtain capacity credit for the unit). Consequently, Altresco, as the supplier, is accountable for any deviations arising from Unit production in the Real – Time verses the Day – Ahead Markets, and in its administration of payments to Altresco, NSTAR Electric will continue to accrue such costs and benefits to Altresco's account.

I trust that the foregoing is responsive to your request, but if you have any further questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Keith A. Goodwin".

Keith A. Goodwin
Senior Contract Administrator

cc: Ellen Angley
Timothy Cronin



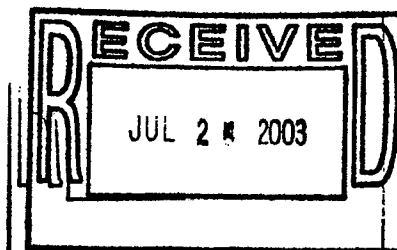
Pittsfield Generating
Plant
Owner: Pittsfield Generating Company, L.P.

Attachment AG-1-1(t)

235 Merrill Road
Pittsfield, MA 01201

413.442.6905
Fax: 413.443.7499
www.neg.pge.com

July 23, 2003



Mr. Keith A. Goodwin
Senior Contract Administrator
NSTAR
One NSTAR Way
Westwood, MA 02090

Re: *NSTAR Deductions from Pittsfield Generating Invoices*

Dear Keith:

This will respond to your letter of July 1, 2003. We cannot agree with the conclusions in your letter regarding the deductions NSTAR has taken from the invoices of Pittsfield Generating Company L.P., the successor to Altresco Pittsfield L.P.

As you know, the Locational Marginal Price (LMP) in the new Standard Market Design for the New England Power Pool consists of three components: (1) the energy price, which is the same throughout the Pool; (2) a congestion charge; and (3) a charge for line losses of electricity. We appear to agree that the price of energy that NSTAR must pay Pittsfield Generating is determined by the prices in the power purchase agreements between Pittsfield and Commonwealth Electric Company and Cambridge Electric Company, not the market price in the Pool. NSTAR, however, has apparently taken the position that differences in the congestion and line loss components of LMP between the point at which Pittsfield's generating unit connects with the electric grid at the Altresco node and delivery points unilaterally designated by NSTAR may be passed on to Pittsfield. We are not aware of any contractual basis for this assertion.

With regard to line losses, which are now the largest part of deductions NSTAR has taken from our invoices, the power purchase agreements Pittsfield has with Commonwealth Electric Company and Cambridge Electric Company are clear. Section 6.2 of each of those agreements recognizes that wheeling losses are reflected in the contractual definition of Delivered Energy, which is 0.99 multiplied by the kilowatt hours metered (less losses from non-Pool transmission facilities), which metering is to occur at Pittsfield's high voltage bus per § 7.1 of the agreements. In other words, the parties contractually agreed that losses would be set at 1% plus any losses from use of non-Pool transmission facilities, of which there is none. That deduction of 1% has been reflected on Pittsfield's invoices for many years without complaint by NSTAR. NSTAR's action in taking a further deduction based on differences in Locational Marginal Price not only constitutes impermissible "double counting," but also is directly contrary to the agreements' specific treatment of line losses. Put another way, NSTAR has always been at risk for any treatment of line losses by the Pool that is different from the treatment in our contracts, just as it has been at risk that the energy purchase price in the Pool may be different from our contract price.

With regard to the congestion component of the Locational Marginal Price, we again do not agree that there is any contractual basis for deducting from our invoices any differences in the

17/49 PG&E National Energy Group and any other company referenced herein which uses the PG&E name or logo are not the same company as Pacific Gas and Electric Company, the California utility. These companies are not regulated by the California Public Utilities Commission, and customers do not have to buy products from these companies in order to continue to receive quality regulated services from the utility.

LMP between Pittsfield's bus at the Altresco node and the delivery points that NSTAR has unilaterally selected. The contractual provisions you identify simply require that Pittsfield's power be delivered to one or more of the delivery points identified in the agreements. That delivery unquestionably occurs now as it has for many years in which NSTAR made no deduction of the sort it is now attempting. The difference in LMP that NSTAR has deducted simply reflects a policy-making decision of the New England Power Pool to impose certain charges on the load where congestion is more acute, rather than to socialize the expense across the entire New England Power Pool as was done in the past. There has always been a congestion charge to NSTAR, which it never sought to pass on to Pittsfield before in recognition of the fact that there is no contractual basis for doing so. The mere fact that the congestion charge assessed by the Pool's Independent System Operator is now determined in a different way and may increase for NSTAR, so that NSTAR's customers will no longer be subsidized by ratepayers in other regions of New England, does not change the terms of our agreements. In addition, I note that NSTAR's congestion expense is apparently mitigated by its receipt of Auction Revenue Rights from the Pool's Independent System Operator in connection with Pittsfield's delivery of power to NSTAR, but NSTAR has not accounted for that mitigation in its deductions from our invoices.

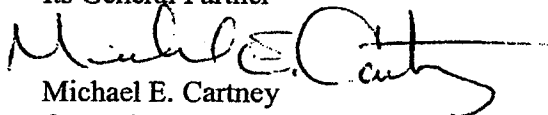
Finally, you state in the penultimate paragraph of your letter that the alteration of bidding processes has resulted in potential costs and benefits based on deviation between the day-ahead and real-time markets, and that NSTAR will accrue any costs or benefits to Pittsfield in making adjustments to our invoices. First, we do not agree that the costs and benefits to which you allude are a novelty of the Standard Market Design. Second, and in any event, there is no contractual basis for the adjustments to our invoices that you state that NSTAR intends to make. NSTAR is a member of the New England Power Pool and takes the risks and benefits of its compensation systems, now the Standard Market Design. Our compensation is determined by our power purchase agreements, none of which contemplate the adjustments NSTAR apparently intends to make.

We are troubled by the manner in which NSTAR has taken large deductions from our invoices without regard to the specific terms of our agreements. Please let me know within two weeks whether NSTAR will be altering any of its deductions from our invoices in light of the above points, as we must determine how to enforce our contractual rights.

Thank you in advance for your prompt attention to this matter.

Very truly yours,

Pittsfield Generating Company, L.P.
By Altresco, Inc.
Its General Partner


Michael E. Cartney
General Manager

Cc: Timothy N. Cronin, Esquire



One NSTAR Way
Westwood, Massachusetts 02090

Attachment AG-1-1(u)

January 26, 2004

VIA FACSIMILE

Mr. Michael E. Cartney
General Manager
Pittsfield Generating Company, L.P.
235 Merrill Road
Pittsfield, MA 01201

Re: Power Sale Agreements between Altresco Pittsfield Limited Partnership and Cambridge Electric Light Company and Commonwealth Electric Company

Dear Mr. Cartney:

It has come to the attention of NSTAR Electric that Pittsfield Generating, which is responsible for the submission of bids to ISO – NE for the output of the Altresco Pittsfield Plant, has altered its bidding practices for this unit. This alteration, which involves offering the majority of the energy generated at the Plant at very high prices, which (offers) are only rarely accepted, has resulted in a dramatic reduction in the quantity of ISO-NE Products generated at the Plant. Based on the Winter Period Design Capacity, the Unit only achieved a capacity factor of approximately 28% for December 2003.

Further, we understand that Pittsfield Generating has significantly limited the availability of the Plant for the period January 14 through January 15, on account of "fuel unavailability."

As you know, NSTAR Electric has two long-term Power Sale Agreements with Pittsfield, where under NSTAR Electric has an aggregate 34.4% entitlement to the energy, capacity and other products associated with the Pittsfield Plant. As you also know, since the Actual In-Service Date of September 1, 1993, NSTAR Electric has paid significant energy and capacity charges to Pittsfield for this Entitlement. Each of these Agreements obligate Pittsfield to "exert all reasonable efforts consistent with Good Utility Practice to cause the Unit to be capable of operating and producing electricity at or near the Design Capacity on a continuous twenty-four hour basis for the full term of the Agreement" (Section 6.1). Indeed, the Agreements provide that Pittsfield may refrain from selling and delivering energy only to the extent necessary for station service (Section 2.1), or in accordance with NSTAR Electric's reservation of 300 "stops" (Section 4.1), or to the extent caused by an Event of Force Majeure (Article 10).

NSTAR Electric does not believe that Pittsfield Generating may unilaterally reduce the generation of electricity and related products at the Plant, and thereby unilaterally reduce the deliveries to NSTAR Electric, as it has, in effect, done by the actions described above. NSTAR Electric hereby requests that Pittsfield Generating return to those bidding and operation practices previously utilized, where the Plant had achieved for example a capacity factor of approximately 98% for December 2002 based on the Winter Period Design Capacity. NSTAR Electric further requests a meeting at the earliest possible date to discuss these matters.

I look forward to your response in this regard.

Sincerely,

A handwritten signature in cursive script, appearing to read "Keith A. Goodwin".

Keith A. Goodwin
Senior Contract Administrator

cc: Timothy N. Cronin
Robert H. Martin

Confirmation Report - Memory Send

Time : Jan-26-2004 03:41pm
Tel line : 7814418053
Name : NSTAR

Job number : 855
Date : Jan-26 03:40pm
To : 914134437499
Document pages : 002
Start time : Jan-26 03:40pm
End time : Jan-26 03:41pm
Pages sent : 002
Status : OK

Job number : 855

*** SEND SUCCESSFUL ***



Fax Correspondence

Date: January 26, 2004
To: Mr. Michael E. Cartney
From: Keith A. Goodwin

Pages to follow (including this cover): 2

January 26, 2004 NSTAR letter to Pittsfield Generating Company, L.P. Re: Power Sale Agreements between Altrisco Pittsfield Limited Partnership and Cambridge Electric Light Company and Commonwealth Electric Company.

PE – Pittsfield, L.L.C.

Attachment AG-1-1(v)

1732 West Goncsco Street
Syracuse, NY 13204

(315) 448-2266
(315) 448-0264

February 13, 2004

VIA FACSIMILE AND FIRST CLASS MAIL

February 13, 2004

Keith A. Goodwin
Senior Contract Administrator
NSTAR Electric
One NSTAR Way
Westwood, MA 02090

Re: Power Sale Agreements between Pittsfield Generating Company, L.P. and
NSTAR Electric

Dear Mr. Goodwin:

I am responding to your January 26, 2004 letter to Michael Cartney in which you request that Pittsfield Generating Company, L.P. ("PGC") return to bidding and operation practices previously utilized. PE – Pittsfield, L.L.C. is the general partner of PGC.

Pursuant to Section 6.1 of PGC's agreements with NSTAR (collectively, the "PSA"), PGC is required to exert "all reasonable efforts consistent with Good Utility Practice to cause the Unit to be capable of operating and producing electricity at or near the Design Capacity on a continuous twenty-four (24) hour basis" Despite the one incident you reference in your letter (during which one turbine was not available for dispatch as a result of a maintenance outage), historic availability measures indicate the Unit is highly reliable.

Section 4.1 of the PSA also stipulates that the "Unit shall be subject to Economic Dispatch at the direction of the Company or NEPOOL." Economic dispatch requirements and other NEPOOL rules in effect at the time the PSA was executed have been replaced in pertinent part by NEPOOL and ISO-NE bidding rules and requirements promulgated as part of the restructuring of the electric industry. In accordance with NEPOOL Operating Procedure No. 1, economic dispatch of the bulk power system is now the responsibility of ISO-NL, which accomplishes the "economical allocation of energy resources" primarily through the

● Page 2

February 13, 2004

application of NEPOOL Market Rule 1 and the system of bidding rules and requirements contained therein.

Although the PSA requires that the Unit be available for dispatch, it does not stipulate that PGC "may refrain from selling and delivering energy only to the extent necessary for station service (Section 2.1), or in accordance with NSTAR Electric's reservation of 300'stops' (Section 4), or to the extent caused by an Event of Force Majeure (Article 10)" as suggested in your letter. Nor does the PSA require PGC to maintain a minimum capacity factor.

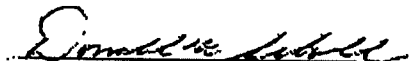
PGC is obligated to comply with Good Utility Practice which requires PGC to act in accordance with dispatch instructions, operating procedures and other requirements of NEPOOL and ISO-NE. However, the PSA does not mandate that PGC apply any particular bid strategy. PGC's operation of the Unit, including the bids and offerings of the Unit in December 2003 and January 2004 have been consistent with PGC's obligations under the PSA, as well as NEPOOL and ISO-NE rules.

Based on the foregoing, we believe that our current bidding practices are appropriate. We would be happy to meet with you to discuss this matter further if you wish.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.

By: PE - Pittsfield, L.L.C., its sole general partner

By: 
Donald W. Scholl

Information Request AG-1-2

Refer to Exhibit NSTAR-RBH-6. Please provide a complete copy of all studies and reports used in the development of this exhibit. If any of the studies or data have been updated or superceded by new, updated or corrected, data, studies or reports, please update the exhibit and provide the updated, corrected data, studies or reports.

Response

CONFIDENTIAL ATTACHMENTS

The Henwood Northeast Electric and Gas Price Forecast was used to develop Exhibit NSTAR-RBH-6. Please refer to Exh. AG-1-2 **CONFIDENTIAL**, provided on the CD-ROM [**CONFIDENTIAL**] for the following pricing data used in Exhibit-RBH-6:

November Henwood Price forecast:

- Fall 2003 Northeast Monthly MCP_dmf
- Fall 2003 Northeast Monthly Natural Gas Price
- Fall 2003 Northeast Retainer Additional Fuel Data

March Henwood Price Forecast

- NE RefCase Short Term Update with Jan04Gas1

May Henwood Price Forecast

- Northeast Short Term Forecast Appendix_May 2004
- Northeast Short Term Forecast OilCoal Prices_May 2004

Please note that the information provided herein is competitively sensitive and is being provided subject to a Non-Disclosure Agreement between NSTAR Electric and the Attorney General and a forthcoming Motion for Protective Treatment of responses to the Department's and the Attorney General's First Set of Discovery in this proceeding.

Information Request AG-1-4

Refer to Exhibit NSTAR-RBH, page 17, lines 5-8. Please provide copies of all bids received on December 3, 2003.

Response

Please refer to Attachment AG-1-4 **BULK**, which is provided on the Company's CD-ROM **[CONFIDENTIAL]**, regarding the following bids:

[REDACTED INFORMATION]

Information Request AG -1-6

Refer to Exhibit NSTAR-RBH, page 18, lines 3-5. Please explain how Pittsfield was involved in the auction process. Provide copies of all communication between CEA, NSTAR and Pittsfield relating to the auction and the termination or buy down of the contracts.

Response

Pittsfield and NSTAR Electric were engaged in discussions regarding the potential PPA termination prior to the initiation of the auction process in the Fall of 2003. Negotiations with Pittsfield were suspended throughout the auction process in order to review the bids received pursuant to the auction on December 3, 2003. Once the bids were received and reviewed, the Company continued its discussions with Pittsfield. Please see the correspondence between NSTAR, CEA and Pittsfield which will be submitted in the response to Information Request AG-1-5 (**CONFIDENTIAL**).

Information Request AG -1-7

Refer to Exhibit NSTAR-RHB-6. Please provide this exhibit in the form of a working spreadsheet model with all formulas and cell references intact.

Response

The working spreadsheet is provided on a CD-ROM [**PUBLIC**], labeled Attachment AG-1-7.

Information Request AG -1-8

Refer to Exhibit NSTAR-RBH, page 21, lines 4-15. Please provide all "re-priced" bids and all correspondence related to initiating and accepting or rejecting these bids.

Response

Please refer to Attachment AG-1-8 **BULK**, which is provided on the Company's CD-ROM [**CONFIDENTIAL**], regarding the following bids

[REDACTED INFORMATION]

Information Request AG-1-9

Refer to Exhibit NSTAR-GOL-4 (for each Cambridge and Commonwealth). Please provide all workpapers, calculations, assumptions and other documentation supporting the projections of revenue related to the sale of the Pittsfield entitlements. The response should include the support for each discrete product (energy, capacity, FTRs, ARRs, transmission credits, ancillary service products, etc.). If the Company did not include any estimated revenue stream in its analysis, please estimate these amounts for each remaining year of the Pittsfield contracts and provide all supporting documentation. Provide these calculations in the form of working spreadsheet models.

Response

Exhibits NSTAR-CAM-GOL-4 and NSTAR-COM-GOL-4 do not contain any projections of revenues related to the sale of the Pittsfield entitlements. These two exhibits show the effect of the Pittsfield termination payments on each Company's transition charge. As such, they replace the assumed stream of payments to Pittsfield under the Status Quo scenario as filed in Exhibits NSTAR-CAM-GOL-3 and NSTAR-COM-GOL-3, with the stream of payments under the Pittsfield Termination Agreement. The Pittsfield Termination Agreement does not provide for any payments for discrete products.

Information Request AG-1-10

Please provide the actual monthly kWh purchases from Pittsfield for each of the companies for the period January 1, 1997 through June 30, 2004. Include the corresponding availability factor for the unit.

Response

Please refer to Attachment AG-1-10 for the actual monthly kWh purchases from Pittsfield for Cambridge Electric Light Company and Commonwealth Electric Company for the period January 1, 1997 through June 30, 2004. In addition, Attachment AG-1-10 includes the availability factor for the unit for the same period.

The forecasted availability factor used to value this contract going forward is lower than generation prior to September 2003 and higher than the values since that time because it represents a negotiated value that essentially splits the difference between history and Pittsfield's forecasted capacity factor. As of September 2003, Pittsfield changed its operating practices and has been selling gas when it is able to receive a higher value than it would receive from NSTAR Electric for the energy revenue. As detailed in the response to Information Request AG-1-1, this practice is the subject of a dispute. It is Pittsfield's position that this new operating practice is within their contractual rights. Conversely, NSTAR Electric believes it is inconsistent with the contract's intent. This settlement value represents a compromise that makes no judgment on litigation outcome as it equally apportions the disputed MWh between the parties. In the event that the buyout transaction before the Department is not approved, litigation may be required to resolve this issue. However, this settlement allowed the parties to move forward with the buyout and resolve the dispute without litigation.

Attachment AG-1-10

Pittsfield Monthly kWh Purchases for Cambridge and Commonwealth

Cambridge	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1997	20,542,930	18,479,520	18,947,530	19,412,365	19,453,510	19,453,510	18,894,645	19,016,065	16,630,300	20,045,085	20,436,710	20,436,710	231,748,880
1998	20,601,475	18,289,345	19,912,200	19,217,780	18,589,050	18,268,760	18,335,360	18,573,905	14,979,765	19,989,200	19,626,635	20,363,180	226,746,655
1999	21,088,024	18,535,144	20,561,138	14,964,557	19,029,508	18,231,749	17,801,240	18,277,248	15,198,409	16,366,953	16,305,523	18,087,350	214,446,843
2000	19,908,255	18,236,025	15,118,325	15,402,480	16,571,395	15,748,310	16,428,672	17,572,156	15,203,267	19,655,647	19,181,175	20,075,814	209,101,522
2001	19,789,059	17,363,305	17,769,077	13,992,854	17,408,089	16,612,036	18,509,831	18,172,835	15,061,786	18,058,183	16,400,329	19,849,556	208,986,941
2002	18,722,072	17,908,814	19,618,319	13,954,535	15,132,907	15,002,671	16,649,371	17,799,519	14,956,628	20,194,341	19,459,330	20,837,531	210,236,039
2003	21,015,432	16,963,488	15,616,452	18,654,952	19,781,619	18,786,913	19,426,028	18,582,715	5,596,601	5,927,402	5,535,287	5,937,289	171,824,179
2004	6,414,019	5,408,356	5,950,383	5,489,253	5,501,717	5,118,290							33,882,018

Commonwealth

1997	20,542,930	18,479,520	18,947,530	19,412,365	19,453,510	19,453,510	18,894,645	19,016,065	16,630,300	20,045,085	20,436,710	20,436,710	231,748,880
1998	20,601,475	18,289,345	19,912,200	19,217,780	18,589,050	18,268,760	18,335,360	18,573,905	14,979,765	19,989,200	19,626,635	20,363,180	226,746,655
1999	21,088,024	18,535,144	20,561,138	14,964,557	19,029,508	18,231,749	17,801,240	18,277,248	15,198,409	16,366,953	16,305,523	18,087,350	214,446,843
2000	19,908,255	18,236,025	15,118,325	15,402,480	16,571,395	15,748,310	16,428,672	17,572,156	15,203,267	19,655,647	19,181,175	20,075,814	209,101,522
2001	19,789,059	17,363,305	17,769,077	13,992,854	17,408,089	16,612,036	18,509,831	18,172,835	15,061,786	18,058,183	16,400,329	19,849,556	208,986,941
2002	18,722,072	17,908,814	19,618,319	13,954,535	15,132,907	15,002,671	16,649,371	17,799,519	14,956,628	20,194,341	19,459,330	20,837,531	210,236,039
2003	21,015,432	16,963,488	15,616,452	18,654,952	19,781,619	18,786,913	19,426,028	18,582,715	5,596,601	5,927,402	5,535,287	5,937,289	171,824,179
2004	6,414,019	5,408,356	5,950,383	5,489,253	5,501,717	5,118,290							33,882,018

Pittsfield Monthly Unit Availability (Percent)

1997	99.42	99.39	93.2	99.67	97.78	99.65	99.3	99.05	88.69	99.06	99.36	99.69	
1998	99.63	98.78	99.61	100	95.38	100	99.68	100	83.02	99.01	100	100	
1999	98.9	99.78	99.25	84.91	99.95	99.8	99.22	100	90.63	99.76	99.1	99.95	
2000	99.97	100	89.91	100	99.91	99.95	99.37	99.95	87.19	100	100	98.35	
2001	99.51	100	90.05	80.79	100	100	99.66	99.27	91.3	99.61	99.4	100	
2002	99.47	100	99.47	80	81.26	99.83	100	98.4	83.76	99.95	99.85	100	
2003	99.18	89.84	86.58	98.9	99.71	99.8	99.27	97.53	89.5	93.98	100	100	
2004	97.38	100	100	100	100	100							

Information Request AG-1-11

Refer to Exhibit NSTAR-RHB-6, pages 2-3. Please provide the actual cost data for each month January 1, 1997 through June 30, 2004 for each of the categories listed in referenced exhibit.

Response

The actual cost data are found in the invoices provided in response to Information Request AG-1-10.

Information Request AG-1-12

Please provide the revenues received by each of the companies for sales for any Pittsfield energy, capacity or other product for each month for the period January 1, 1997 through June 30, 2004. Include the quantity or volume for each product.

Response

For the period January 1, 1997 through June 30, 2004, the Companies had settlement accounts with ISO-NE and received the clearing price in the ISO-NE Market System for the energy, capacity and other products associated with their share of the Pittsfield assets, with the exception of the following periods during which the Pittsfield products were transferred to a third-party supplier.

- For the period of May 1, 1999 through December 31, 1999, the settlement accounts for the Pittsfield energy, capacity and other products were contractually transferred to Select Energy, Inc. in the ISO-NE Market System for which the Companies received credit from Select Energy, Inc., in accordance with the fee structure in Attachment AG-1-12(a).
- For the period of January 2002 through June 2004, the settlement accounts for the Pittsfield energy, capacity and other products were contractually transferred to Constellation Power Source, Inc. in the ISO-NE Market System, for which the Companies received credit from Constellation Power Source, Inc. as detailed in Attachment AG-1-12(b).

Attachment AG-1-12 (a)

Energy Fee Structure - Sales by Cambridge and Commonwealth to Select Energy, Inc. for July - December 1999

Month	Weekday Peak Hrs (\$/MWh)		Weekend Peak Hrs (\$/MWh)		All Off-Peak Hrs	
	8-16, 22, 23	17-21	8-16, 22, 23	17-21	1-5, 24	6, 7
May-99	22.2	31.7	18.5	26.5	14.1	17.6
Jun-99	28.6	33.0	19.4	27.7	15.1	18.8
Jul-99	30.2	35.0	21.2	30.2	16.0	20.0
Aug-99	30.2	35.0	21.2	30.2	16.0	20.0
Sep-99	23.0	32.9	19.4	27.7	14.1	17.6
Oct-99	21.4	30.6	16.8	23.9	14.1	17.6
Nov-99	21.4	30.6	18.5	26.5	14.1	17.6
Dec-99	21.4	30.6	20.3	29.0	14.1	17.6

Installed Capacity Fee Structure - Sales by Cambridge and Commonwealth to Select Energy, Inc. for July - December 1999

Lower of ISO-NE Market Clearing Price and the applicable rate provided below	
Month	Installed Capacity Rate (\$/kW-mo)
May-99	0.75
Jun-99	1.00
Jul-99	2.00
Aug-99	2.00
Sep-99	1.50
Oct-99	1.00
Nov-99	1.00
Dec-99	1.00

Attachment AG-1-12 (b)

Pittsfield Monthly Revenue for Cambridge and Commonwealth - Constellation Power Source, Inc. as Supplier

Cambridge	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2002 Mwh	18,722.072	17,908.814	19,618.319	13,954.535	15,132.907	15,002.671	16,649.371	17,799.519	14,956.628	20,194.341	19,459.330	20,837.531	210,236.039
Contract Rate (Mwh)	\$41.35	\$41.35	\$41.35	\$37.20	\$37.20	\$37.20	\$43.60	\$43.60	\$43.60	\$34.90	\$34.90	\$34.90	
Contract Revenue	\$774,158	\$740,529	\$811,217	\$519,109	\$562,944	\$558,099	\$725,913	\$776,059	\$652,109	\$704,782	\$679,131	\$727,230	\$8,231,280.40
2003 Mwh	21,015.432	16,963.488	15,616.452	18,654.952	19,781.619	18,786.913	19,426.028	18,582.715	5,596.601	5,927.402	5,535.287	5,937.289	171,824.179
Contract Rate (Mwh)	\$38.80	\$38.80	\$38.80	\$33.40	\$33.40	\$33.40	\$39.10	\$39.10	\$39.10	\$30.75	\$30.75	\$30.75	
Contract Revenue	\$815,399	\$658,183	\$605,918	\$623,075	\$660,706	\$627,483	\$759,558	\$726,584	\$218,827	\$182,268	\$170,210	\$182,572	\$6,230,783.11
2004 Mwh	6,414.019	5,408.356	5,950.383	5,489.253	5,501.717	5,118.290							33,882.018
Contract Rate (Mwh)	\$52.15	\$51.60	\$45.60	\$41.85	\$39.30	\$40.20							
Contract Revenue	\$334,491	\$279,071	\$271,337	\$229,725	\$216,217	\$205,755							\$1,536,597.69
Commonwealth													
2002 Mwh	18,722.072	17,908.814	19,618.319	13,954.535	15,132.907	15,002.671	16,649.371	17,799.519	14,956.628	20,194.341	19,459.330	20,837.531	210,236.039
Contract Rate (Mwh)	\$41.35	\$41.35	\$41.35	\$37.20	\$37.20	\$37.20	\$43.60	\$43.60	\$43.60	\$34.90	\$34.90	\$34.90	
Contract Revenue	\$774,158	\$740,529	\$811,217	\$519,109	\$562,944	\$558,099	\$725,913	\$776,059	\$652,109	\$704,782	\$679,131	\$727,230	\$8,231,280.40
2003 Mwh	21,015.432	16,963.488	15,616.452	18,654.952	19,781.619	18,786.913	19,426.028	18,582.715	5,596.601	5,927.402	5,535.287	5,937.289	171,824.179
Contract Rate (Mwh)	\$38.80	\$38.80	\$38.80	\$33.40	\$33.40	\$33.40	\$39.10	\$39.10	\$39.10	\$30.75	\$30.75	\$30.75	
Contract Revenue	\$815,399	\$658,183	\$605,918	\$623,075	\$660,706	\$627,483	\$759,558	\$726,584	\$218,827	\$182,268	\$170,210	\$182,572	\$6,230,783.11
2004 Mwh	6,414.019	5,408.356	5,950.383	5,489.253	5,501.717	5,118.290							33,882.018
Contract Rate (Mwh)	\$52.15	\$51.60	\$45.60	\$41.85	\$39.30	\$40.20							
Contract Revenue	\$334,491	\$279,071	\$271,337	\$229,725	\$216,217	\$205,755							\$1,536,597.69